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## DIRECTORATE OF INTELLIGENCE

4 February 1986

India-Pakistan: Status of Talks

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Summary

A flurry of high-level exchanges between Indian and Pakistani officials, set in motion by the meeting between Prime Minister Gandhi and President Zia in December, has led to the first major substantive advances in bilateral political, military, and economic relations since the early 1970s. Several additional meetings are tentatively scheduled over the next few months, to be topped off--if enough progress can be made--with a visit by Gandhi to Islamabad to sign a bilateral treaty. Both Gandhi and Zia will need to keep momentum building in order to surmount ingrained suspicions among officials in both countries.

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Over the past month, three ministerial meetings have been held which have been notable for their lack of rancor and the ability of the participants to agree on some issues:

This memorandum was prepared by [ ] the Subcontinent Branch and [ ] the Pakistan/Bangladesh Branch, South Asia Division, Office of Near Eastern and South Asian Analysis. Information as of 4 February 1986 was used in its preparation. Questions and comments should be directed to Chief, South Asia Division [ ]

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- The Defense Secretaries met in Islamabad to discuss extending the ceasefire line at the Siachin Glacier, where troops on both sides carried out a series of low-level clashes during much of 1985. The Secretaries were unable to find any ground for agreement: India holds the bulk of the contested territory and is unwilling to give it up. The officials did, however, agree to an aerial survey of the maritime and land boundaries in the Rann of Kutch to establish a basis for formal division of that area.
- The Foreign Secretaries met in Islamabad to discuss a variety of bilateral issues. Both sides agreed to repatriate each other's civilian detainees by 31 March. They also discussed accords on cultural exchanges and travel, agreeing to consider specific proposals in their next meeting.
- The Foreign Secretaries also discussed the terms under which they could merge India's proposed peace and friendship treaty with Pakistan's suggested No-War Pact. But the Indian draft contains provisions that Islamabad believes impinge on its sovereignty. These center on Islamabad's reluctance to forswear allowing foreign bases on its territory and submitting bilateral disputes to international forums. The talks on a peace treaty are the first since Indira Gandhi broke off negotiations in 1982. [REDACTED]
- The Finance Ministers, meeting in Islamabad, signed a Memorandum of Understanding establishing the groundwork for improved economic ties. The accord seeks to more than double government-controlled commodity trade, review the limited private trade Pakistan suspended in 1978, increase broader communication and start joint industrial ventures in each country. [REDACTED]

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Bilateral meetings are scheduled to continue through the spring. Officials are currently meeting to discuss increasing domestic drug addiction and how to cooperate to halt the narcotics trade. In mid-February, the Foreign Secretaries will meet again in Islamabad and two subcommissions on trade and economic affairs will meet in New Delhi. The Defense Ministries tentatively plan to resume discussions on the Siachin Glacier later this spring. Foreign Ministers Bhagat and Yakub Khan will discuss a peace treaty during their Joint Commission meeting tentatively scheduled for late March or early April. [REDACTED]

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If all goes well in the discussions scheduled in the coming month, Gandhi may visit Pakistan later in the year--the first formal visit of an Indian Prime Minister to Pakistan since 1960. He is probably wary of making the visit without assurances that a formal bilateral treaty will be signed, fearing that the Zia government may want to use a visit primarily to impress domestic and international public opinion. [REDACTED]

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### Hurdles to Improved Relations

The nuclear issue remains the major bilateral stumbling block, despite the December pledge by Gandhi and Zia not to attack each country's nuclear facilities. Both sides have backed away from their early labeling of the December pledge as a breakthrough. Although Gandhi has softened his criticism of Islamabad's nuclear weapons program, he still harbors deep suspicions of Pakistan's intentions. Other high Indian officials have indicated to the US Embassy that India continues to rely upon the US to rein in Pakistan's nuclear ambitions. Zia recently called the agreement "nothing new." There has been no further movement on the nuclear issue. [REDACTED]

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Recent political developments in Pakistan may also slow progress. The Indian Foreign Secretary has expressed concern that the new civilian government in Islamabad may be backsliding on Zia's commitment to improve relations. The pro-government Muslim League has said that the contentious Kashmir border issue must be settled in a multinational forum--a position New Delhi rejects--before bilateral relations can be substantially improved. The Indians also fear that the recent sacking of Pakistani Finance Minister Mahbub-ul-Huq--a strong proponent of closer economic ties--may also cast a pall on bilateral relations. Many Pakistani officials and businessmen do not support the recent Indo-Pak economic agreements. [REDACTED]

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### Prospects

Gandhi and Zia seem intent on advancing bilateral relations, but deepseated mutual suspicions as well as bureaucratic resistance on both sides could easily stymie negotiations. For the near term, both sides may decide to concentrate on high-profile, confidence-building measures such as increased trade, cultural exchanges, and the return of civilian detainees, rather than the larger, more intractable nuclear and political issues which have frustrated attempts at improved relations in the past. [REDACTED]

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In the short term, a key indicator of the two countries ability to stay on track will be Pakistan's willingness to follow through--in the wake of Huq's removal--on the January trade agreements. Whether the two countries can move beyond incremental steps toward a major substantive improvement in relations will probably depend, however, on if agreement can be reached on a formal bilateral peace treaty. [REDACTED]

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